

**TITLE 9 CALIFORNIA DEPARTMENT OF MENTAL HEALTH****ACTION: NOTICE OF PROPOSED RULEMAKING****SUBJECT: CONFLICT OF INTEREST CODE**

PUBLIC PROCEEDINGS: Notice is hereby given that the California Department of Mental Health proposes to adopt the regulatory action described below after considering all comments, objections, or recommendations regarding the proposed regulatory action.

COMMENTS: Any interested person, or his or her authorized representative, may present statements, arguments or contentions relevant to the action described in this notice. Any written statements, arguments, or contentions must be received by the Office of Regulations, California Department of Mental Health, 1600 Ninth Street, Room 150, Sacramento, CA 95814, by **5:00 p.m. on August 30, 2004**. It is requested but not required that written statements sent by mail or hand-delivered be submitted in triplicate.

Comments by fax (916-654-2440) or e-mail (regs@dmhhq.state.ca.us) must be received before 5:00 p.m. on the last day of the public comment period. All comments, including e-mail or fax transmissions, should include the author's name and U.S. Postal Service mailing address in order for the Department to provide copies of any notices for proposed changes in the regulation text on which additional comments may be solicited.

WEB SITE: This public notice, the original and modified regulation text, the initial statement of reasons, and other related documents, are available from the Office of Regulations web page http://www.dmh.ca.gov/Admin/regulations/rulemaking_pkgs.asp.

CONTACT: Inquiries concerning the rulemaking process described in this notice may be directed to Steve Appel of the Office of Regulations, by email (regs@dmhhq.state.ca.us), or telephone (916-654-4027). The backup contact person is Nancy Christenson, Office of Legal Services at 916-654-2319. Inquiries concerning the substance of the rulemaking should be made to Regena Caton of Human Resources, at 916-654-3764.

Hearing impaired persons wishing to utilize the California Relay Service may do so at no cost. The telephone numbers for accessing this service are: 800-735-2929, if you have a TDD; or 800-735-2922, if you do not have a TDD.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW: Under the Political Reform Act, all public agencies are required to adopt a conflict of interest code (code). The code designates agency positions required to file Statements of Economic Interests and assigns disclosure categories specifying the types of interests to be reported. The primary purpose of the code is to alert public officials and members of the public to the types of financial interests that may create conflicts of interests. This code will be effective upon approval by the Fair Political Practices Commission. The regulations will appear in Section 400, Chapter 2, Division 1 of Title 9.

AUTHORITY: Sections 87300 and 87306, Government Code.

REFERENCE: Sections 87300 through 87313, Government Code

ECONOMIC AND FISCAL IMPACT DISCLOSURES: The Department has made economic and fiscal determinations regarding the regulations, as follows:

LOCAL MANDATE DETERMINATION: The regulations would not impose a mandate on local agencies or school districts, nor are there any savings or costs for which reimbursement is required by Part 7 (commencing with section 17500) of Division 4 of the Government Code.

FISCAL IMPACT ESTIMATE:

- A. Fiscal Effect on Local Government: None
- B. Fiscal Effect on State Government: None
- C. Fiscal Effect on Federal Funding of State Programs: None
- D. Fiscal Effect on Private Persons or Businesses Directly Affected: None

HOUSING COSTS: The regulations would not have a significant effect on housing costs.

ECONOMIC IMPACT ON BUSINESS: The regulations would not have a significant adverse economic impact on businesses or individuals, including the ability of California businesses to compete with businesses in other states.

ASSESSMENT STATEMENT: The regulations would not significantly affect the following within the State of California:

- A. The creation or elimination of jobs.
- B. The creation of new businesses or the elimination of existing businesses.
- C. The expansion of businesses currently doing business.

COST IMPACT ON PRIVATE PERSONS OR BUSINESSES DIRECTLY AFFECTED: The costs incurred for reasonable compliance with the regulations are insignificant.

IMPACT ON SMALL BUSINESS: The regulations will not affect small businesses.

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF REGULATIONS:

The Department has prepared and has available for public review an initial statement of reasons for the regulations, all the information upon which the regulations are based, and the text of the regulations. A copy of the initial statement of reasons and the text of the regulations are available upon request by writing to the Office of Regulations at the address noted above. This address will also be the location of public records, including reports, documentation, and other material related to the regulations.

AVAILABILITY OF CHANGED OR MODIFIED TEXT: After considering all timely and relevant comments received, the Department may adopt the regulations substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text, with changes clearly indicated, shall be made available to the public for at least 15 days prior to the date on which the Department adopts the regulations. Requests for copies of any modified regulations, in hard-copy or email, should be sent to the attention of Steven Appel, Office of Regulations, at the address indicated above.

PUBLIC HEARING: The Department has not scheduled a public hearing on this action. However, the Department will hold a hearing on August 30, 2004, if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days before the close of the written comment period.

Reasonable accommodation or sign language interpreting services at a public hearing will be provided upon request. Such request should be made no later than 15 days prior to the close of the written comment period.

CONSIDERATION OF ALTERNATIVES: In accordance with Government Code Section 11346.5(a)(13), the Department must determine that no alternative considered by the Department would be more effective in carrying out the purpose for which the action was taken or would be as effective and less burdensome to affected private persons than this action.